



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

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Lieutenant Governor

September 20, 2004

Clay Holman
78 South Main Street
P.O. Box 122
Hinckley, Utah 84635

Subject: Acknowledgement of Permit Fee and Removal of Suspension Status;
and Approval of Transfer of Notice of Intention, Small Mining
Operations from Todd Harris to Clay Holman, Fossil Lease ML-42750-
A (now ML-49192) Project, S/027/070, Millard County, Utah

Dear Mr. Holman:

On December 18, 2003, we received the completed Transfer of Notice of Intention of Small Mining Operations to transfer the Fossil Lease now #ML 42750-A from Todd Harris to Clay Holman. That lease was canceled in February 2002 and lease # ML-49192 was re-issued August, 2003. The small mining project is located in SE1/4 of NE1/4 of Section 2, T17S, R13W, Millard County, Utah.

On September 16, 2004, the Division Director signed and executed the transfer document, *which effectively transfers the responsibility of this mining operation and reclamation to you*. You signed the transfer document as Co Owner / Operator. However, no other co-owner is named; therefore, you are now the official party responsible for all mining and reclamation obligations, filing of annual reports, paying permit fees, etc. for this project. A copy of the executed transfer form is enclosed for your files. Please be aware that you must satisfy the School and Institutional Trust Lands Administration (SITLA)'s, requirements in making this change in ownership as well. We will forward a copy of the executed transfer form along with this letter to SITLA for their records.

By copy of this letter the Division hereby officially releases Todd Harris from any further reclamation responsibilities at this site.

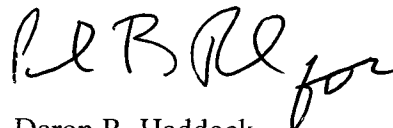
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The Division acknowledges the \$2,500 reclamation surety held by SITLA, for this site. The surety in the form of a Time Deposit was posted by Marlow Cropper on October 29, 1997. The ownership is listed as Marlow Cropper Utah School and Institutional Trust Lands – State of Utah. In the future, the surety instrument may need to be changed to include the Division of Oil, Gas and Mining as a beneficiary. We do not anticipate this happening any time soon unless the plan is amended, which would require the surety be adjusted at that time.

On September 14, 2004, we received the \$150.00 annual 2004 permit fee for this project. Therefore, the suspension status placed August 10, 2004, has been removed and operations may continue as before. Please be advised that you are not allowed to create disturbance greater than one acre without first amending your notice, posting adequate surety and receiving written approvals from this office and SITLA prior to expanding beyond the one acre limitation of this plan.

Thank you for your help in finalizing this transaction. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5325 or Tom Munson at 538-5321. Best of success with your new mining venture.

Sincerely,

A handwritten signature in black ink, appearing to read 'DRH for', is positioned above the printed name and title.

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:TM:jb
Enclosure: Executed Transfer form
cc: Todd Harris w/encl
Will Stokes, SITLA w/encl (ML-49192)
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